

EDWARDS ANGELL PALMER & DODGE LLP

750 Lexington Avenue New York, NY 10022 212.308.4411 fax 212.308.4844 eapdlaw.com

Harold J. Ruvoldt
212.912.2814
fax 212.308.4844
hruvoldt@eapdlaw.com

November 11, 2005

VIA FACSIMILE AND REGULAR MAIL

Lewis J. Liman, Esq.
Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, New York 10006-1470

Re: Kingsway Financial Services vs. PricewaterhouseCoopers LLP, et al
No. 03 Civ. 5560 (RMB)

Dear Mr. Liman:

In response to your recent communications, we are agreeable to having a conference call on Monday, November 14, 2005, at 11:00 a.m. to explore settlement. We would also like to discuss related issues, including discovery.

At present, I am authorized by my clients to accept in settlement of the claims against the officers and directors only, and without prejudice to plaintiffs' claims against PricewaterhouseCoopers, the sum of eight million dollars (\$8,000,000.00). That settlement amount is contingent upon the directors and officers signing general releases and their agreeing to provide full and truthful testimony as to the subject matter of this litigation.

On the subject of discovery, as we indicated in our November 1, 2005 letter, although we do not believe that individual claims files may be relevant to the issues of this case, we are prepared to produce them in electronic form subject to an acceptable protective order and a resolution of privacy issues which may include redaction of names and other identifying information which might tend to divulge the claimant's identity. We enclose a proposed Stipulation and Protective Order for discussion purposes. We would like to discuss the privacy issue on Monday. Although we are prepared to provide you with the claims files' raw data files upon execution of the protective order, you have also been provided with a copy of defendants' WINS software licensing agreement (*see* AC-09932-09944), which may aid you in procuring the computer software necessary to comprehensively review the data should you desire to utilize WINS.

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We look forward to speaking with you on Monday.

Very truly yours,



Harold J. Ruvoldt

Enclosure